



MULTISTATE TAX COMMISSION

*Working together since 1967 to preserve federalism and tax fairness*

To:	Members of the Commission
From:	Stephen Cordi, Chair
Date:	July 27, 2011
Subject:	Resolutions Report to the Commission

Below is a list of Policy Resolutions that are scheduled for sunset in 2011. Most date from 2001 and were renewed in 2006.

I draw your attention to Bylaw 15, Resolutions and Policy Statements. The Bylaw does not refer to Policy Resolutions, so it seems these Policy Resolutions should be converted into either Policy Statements (subject to sunset) or Resolutions (usually not subject to sunset).

### **Policy Resolutions**

Policy Resolution 06-01, Resolution Regarding the Re-write of the Telecommunications Act of 1996

[http://www.mtc.gov/uploadedFiles/Multistate\\_Tax\\_Commission/About\\_MTC/Policy\\_S\\_and\\_R/2006\\_Resolutions/Policy%20Resolution%2006-01.pdf](http://www.mtc.gov/uploadedFiles/Multistate_Tax_Commission/About_MTC/Policy_S_and_R/2006_Resolutions/Policy%20Resolution%2006-01.pdf)

At the time this resolution was drafted, Congress was engaged in re-writing the 1996 Telecommunications Act. The 1996 Act contains a significant state tax savings anti-preemption clause, which the Commission urged the Congress to retain in re-writing the Act. However, the Senate version of this re-write bill (H.R. 5252), contained provisions relating to a moratorium on the sales, property and excise taxation of cellular phone service. The Resolution opposes this provision as an unwarranted preemption of state and local tax authority, and points to the on-going cooperative efforts by states and industry to simplify the administration on the state and local telecommunications taxes in support of the Commission's opposition to the moratorium.

To the best of our knowledge, Congress will not undertake a re-write of the 1996 Act this year, so the Resolution is no longer needed and could be allowed to sunset. However, the Commission could have a policy statement concerning any future telecommunications reform efforts, in which case this resolution should be redrafted into a Policy Statement, with an expiration date of 2016. (See Attachment A).

Policy Resolution 01-01, Resolution in Support of And Appreciation for the Work of the Congressional Budget Office

[http://www.mtc.gov/uploadedFiles/Multistate\\_Tax\\_Commission/About\\_MTC/Policy\\_S\\_and\\_R/2006\\_Resolutions/Policy%20Resolution%2001-01.pdf](http://www.mtc.gov/uploadedFiles/Multistate_Tax_Commission/About_MTC/Policy_S_and_R/2006_Resolutions/Policy%20Resolution%2001-01.pdf)

This resolution thanks the CBO for its nonpartisan work in determining the fiscal impact of congressional legislation on the states. According to Bylaw 15(c), resolutions “[h]onoring persons who have contributed significantly to fulfilling the purposes of the Multistate Tax Compact” are normally adopted without an expiration date. This Resolution is different because the threshold for unfunded mandates is indexed for inflation. The Resolution, when it is slated for review, could be amended to reflect the changing thresholds. The Commission could strike the word Policy but leave the Resolution’s expiration date in place. (See Attachment B).

Policy Resolution 01-02, Renewing the Commitment of MTC Member States to Voluntary State Tax Uniformity

[http://www.mtc.gov/uploadedFiles/Multistate\\_Tax\\_Commission/About\\_MTC/Policy\\_S\\_and\\_R/2006\\_Resolutions/Policy%20Resolution%2001-02.pdf](http://www.mtc.gov/uploadedFiles/Multistate_Tax_Commission/About_MTC/Policy_S_and_R/2006_Resolutions/Policy%20Resolution%2001-02.pdf)

This resolution encourages MTC member states to further the cause of uniformity through policymaking and adoption of uniform legislation, rules and regulations to eliminate duplicative taxation and to ease the compliance burden on multistate taxpayers. It also gives directives to the MTC, such as surveying the states to determine whether uniformity recommendations have been adopted. According to Bylaw 15(c), a “[r]esolution[] without an expiration date generally include[s] those related to matters regarding the “[i]nternal administration and governance of the Commission.” The Commission could change this resolution from a Policy Resolution to a Resolution without an expiration date. (See Attachment C).

Policy Resolution 01-03, Resolution Maintaining the Integrity of State and Local Tax Appeals Systems

[http://www.mtc.gov/uploadedFiles/Multistate\\_Tax\\_Commission/About\\_MTC/Policy\\_S\\_and\\_R/2006\\_Resolutions/Policy%20Resolution%2001-03.pdf](http://www.mtc.gov/uploadedFiles/Multistate_Tax_Commission/About_MTC/Policy_S_and_R/2006_Resolutions/Policy%20Resolution%2001-03.pdf)

This resolution encourages Congress and the federal government to respect the state and local appeals process by not creating special classes of taxpayers in the foreign and domestic arena who are permitted to bypass existing administrative and court remedies with respect to tax disputes. The Commission could sunset this Policy Resolution and substitute a Policy Statement concerning state tax appeals systems with an expiration date of 2016. (See Attachment D).

Policy Resolution 01-05, Resolution in Support of and Appreciation of the Uniformity and Interstate Cooperation Projects of the Federation of Tax Administrators

[http://www.mtc.gov/uploadedFiles/Multistate\\_Tax\\_Commission/About\\_MTC/Policy\\_S\\_and\\_R/2006\\_Resolutions/Policy%20Resolution%2001-05.pdf](http://www.mtc.gov/uploadedFiles/Multistate_Tax_Commission/About_MTC/Policy_S_and_R/2006_Resolutions/Policy%20Resolution%2001-05.pdf)

Since the FTA's work with respect to uniformity and interstate cooperation projects is ongoing, the Commission could change this Policy Resolution to a Resolution without an expiration date. Though some of the projects listed are probably out of date, the Commission could wait to amend this Resolution until next year, after the new Executive Director has had an opportunity to become familiar with the FTA's current projects. (See Attachment E).

Policy Resolution 01-09, Resolution Regarding the Preservation of the Integrity of State Property Tax Systems

[http://www.mtc.gov/uploadedFiles/Multistate\\_Tax\\_Commission/About\\_MTC/Policy\\_S\\_and\\_R/2006\\_Resolutions/Policy%20Resolution%2001-09.pdf](http://www.mtc.gov/uploadedFiles/Multistate_Tax_Commission/About_MTC/Policy_S_and_R/2006_Resolutions/Policy%20Resolution%2001-09.pdf)

This Resolution urges Congress not to compromise state and local property tax systems by enacting laws that disrupt property tax administration. While this Resolution is still relevant, the Commission could allow it to sunset, and revise the Resolution into a Policy Statement with an expiration date of 2016. (See Attachment F).